

Company announcement

May 15, 2019

Announcement No. 31

Nilfisk Q1 Interim Report 2019: 2.8% organic growth in the branded professional business driven by EMEA and Americas

Nilfisk, a leading provider of professional cleaning products and services, is announcing its results for Q1 2019.

Highlights for Q1 2019

- In Q1 2019, Nilfisk delivered organic growth of 2.8% in the branded professional business driven by the mature markets in EMEA (3.6%) and Americas (3.2%), where the US business showed a solid performance. APAC had a disappointing quarter with negative growth of 2.9% despite positive results in China
- Private label developed according to expectations with negative growth of 6.7% due to the discontinuation of a large customer contract, which was communicated in Q4 2018
- Consumer had a disappointing quarter throughout most European markets leading to negative organic growth of 7.2%
- After the disappointing negative growth in the Consumer business, organic growth for the total business was 1.0% and total revenue amounted to 247 mEUR
- Gross margin for the total business was 43.1 % in Q1, an increase of 0.7 percentage point compared to Q1 2018. This was positively impacted by divestments
- EBITDA before special items amounted to 32.7 mEUR in Q1 2019, up 2.2 mEUR compared Q1 2018, leading to an EBITDA margin before special items of 13.3%, and 10.6% excluding impact from IFRS 16, which is an increase of 0.3 percentage point compared to Q1 2018
- In Q1 Nilfisk completed the strategic review of its consumer business with the conclusion that Nilfisk is the best owner of this business based on shareholder value
- Nilfisk also took further measures to ensure a stronger, daily focus on the Floorcare business in the US, by replacing the regional structure in Americas with a global structure
- In April, Nilfisk announced a partnership with Brain Corp. The partnership is a strong addition to Nilfisk's multi-partner strategy for autonomous cleaning solutions

Outlook

- Nilfisk maintains the 2019 guidance communicated in the Annual Report 2018. Nilfisk expects to reach an EBITDA margin before special items above 14.4% and an organic growth of approximately 2.0% for the total business, however with a different composition than previously expected. Nilfisk maintains the expectations of above 3.0% organic growth in the branded professional business, but due to the disappointing performance in Consumer, Nilfisk now expects negative growth in the Consumer business of approximately 10.0%. This is expected to be compensated for by the Private label business which is now expected to grow approximately 0.0%

CEO comment

Commenting on the results, Hans Henrik Lund, CEO of Nilfisk, says:

“In Q1, we have seen a satisfactory development in the mature EMEA markets as well as in our US business, which has been a key focus area for Nilfisk. This leads to a total organic growth of 2.8% for our branded, professional business and an operating performance of 13.3% for the total business. At the same time, we have continued to execute on our multi-year transformation strategy, among others by implementing a new, aligned sales structure and by teaming up with yet another industry-leading technology partner, which will enable us to develop a broad portfolio of connected, autonomous solutions.”

Conference call

Nilfisk will host a conference call today, at 10:00 CET. Please visit investor.nilfisk.com to access the call. Presentation materials will be available prior to the conference call.

To dial in

Denmark: +45 32 72 80 42

UK: +44 (0) 844 5718 892

US: +1 631 510 7495

Conference ID: 6349203

Webcast link: <https://edge.media-server.com/m6/p/eayznmci>

Contact

Investor Relations

IR@nilfisk.com

Media Relations

Louise Refsgaard Klinge

Global Media Relations

T: +45 2067 0833